ORIGINAL



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Our File Number 38655-00001

June 16, 2005

Arizona Corporation Commission

DOCKETED

JUN 1 7 2005

VIA HAND DELIVERY

DOCKETED BY

Arizona Corporation Commission Docket Control - Utilities Division 1200 W. Washington Street Phoenix, AZ 85008

Re:

Duke Energy Arlington Valley, LLC

2005 Land Management Plan Annual Report

Docket No: L-00000P-99-0098

AZ CORP COMMISSION

In compliance with Condition No. 13 (iv) in ACC Amended Decision No. 62995, Duke Energy Arlington Valley LLC ("Duke Energy"), must file an Annual Report setting forth the status of the Land Management Plan for the Arlington Valley Energy Project.

Duke Energy submitted the 2004 Annual Report on June 11, 2004 and has continued to implement the Land Management Plan since that time. With respect to native revegetation efforts, sixty acres to the north of the facility were vegetated in early 2005 with native Sonoran plants using drip irrigation to establish the plants. Revegation efforts will continue in the coming months.

Additional wildlife habitat enhancements completed in the past year included seeding sixty-four acres with wetland grasses. In addition, seventeen acres have been planted with one-gallon riparian habitat vegetation. Seeds have sprouted and the ground will be kept wet by flood irrigation using pumped groundwater. Ducks Unlimited will visually observe the progress twice per year and will follow up the visits with written progress reports.



Mr. Brian K. Bozzo June 16, 2005 Page 2

Duke Energy is awaiting a final report from the University of Arizona that will provide additional details concerning revegation efforts between June 2004 and May 2005. When that report is available, Duke Energy will prepare and file a Supplemental 2005 Annual Report.

Very truly yours,

LEWIS AND ROCA LLP

Thomas H. Campbell

THC/bjg

Original and thirteen (13) copies filed with: Docket Control – Utilities Division Arizona Corporation Commission

cc: Brian K. Bozzo, Compliance Manager